

**BY ORDER OF THE
SECRETARY OF THE AIR FORCE**

AIR FORCE INSTRUCTION 34-407

17 FEBRUARY 1999

Services



**AIR FORCE COMMERCIAL SPONSORSHIP
PROGRAM**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This instruction implements Air Force Policy Directive (AFPD) 34-4, *Managing Nonappropriated Funds*. It provides guidance and procedures for operating an effective commercial sponsorship program for Morale, Welfare, and Recreation (MWR) elements of Services programs at the base level, major command (MAJCOM) level, and Air Force Services Agency (AFSVA) level. It defines unsolicited and solicited sponsorships, outlines the procedures for obtaining and implementing them, describes their limitations and benefits to MWR programs, and establishes approval procedures. Consult AFMAN 34-416, *Air Force Commercial Sponsorship Procedures*, for detailed guidance on sponsorship agreement forms, quarterly reporting procedures, and solicitation procedures. This instruction is only applicable to the Air National Guard upon mobilization.

SUMMARY OF REVISIONS

This change incorporates interim change (IC) 99-1 provides guidance for the Air Force Commercial Sponsorship Program. Paragraph 1.2. is changed to reference AFI 34-223, *Private Organizations (PO) Program*, for guidance on the acceptance of gifts, contributions, and donations by private organizations. Paragraph 9.3. is changed to delete authorization for use of NAFs for static displays to conform with AF/CV guidance. A bar (|) preceding a paragraph indicates changes from the previous edition.

1. Purpose and Scope.

1.1. Commercial sponsorships help finance enhancements for MWR elements of Services events, activities, and programs. Refer to paragraph 6. for a description of commercial sponsors' recognition and advertising privileges. Do not exceed these limited privileges without prior written approval of the Director of Services (HQ USAF/ILV). There must be a bona fide special event for sponsorship to apply. An event must have a theme, focus, and a specific limited time. Membership drives over extended periods can be treated as events for sponsor support and recognition purposes; however,

sponsor displays can only be authorized at specific events during the drive. MWR events appropriate for commercial sponsorship do not include normal day-to-day MWR management and overhead operations.

1.2. Only Services MWR programs may use the commercial sponsorship program. Other Air Force organization, units, private organizations, or unofficial activities or organizations are not authorized to use commercial sponsorship to offset program or activity expenses.. See AFI 34-223, *Private Organizations (PO) Program*, for additional guidance.

2. What People Do.

2.1. HQ USAF/ILV.

2.1.1. Establishes commercial sponsorship policy.

2.1.2. Reviews, approves, and/or disapproves requests for waivers to this instruction.

2.1.3. Reviews, approves, and/or disapproves any requests for sponsor corporate advertising benefits.

2.1.4. Submits sponsorship offers worth more than \$100,000 to the Chairman of the AF MWR Advisory

Board for approval.

2.2. HQ AFSVA/CC.

2.2.1. Plans, organizes, directs, and controls the Department of Defense (DoD) MWR Commercial Sponsorship Program for the Air Force.

2.2.2. Appoints a single point-of-contact for Air Force commercial sponsorship issues.

2.2.3. Approves and/or disapproves and accepts all sponsorship provided to the Air Force Central Nonappropriated Funds Instrumentality (NAFI) valued at \$100,000 or less.

2.2.4. Approves and/or disapproves and accepts multiple MAJCOM sponsorships worth up to \$100,000.

2.3. MAJCOM Commanders.

2.3.1. Approve and/or disapprove sponsorships of \$5,000 through \$100,000, and may delegate approval authority for up to \$50,000 to MAJCOM/Vice Commander (CV), Chief of Staff, or MAJCOM Services Director, and up to \$25,000 to an installation commander.

2.4. MAJCOM/SVs.

2.4.1. Approve and/or disapprove sponsorship agreements per delegated authority.

2.4.2. Review, approve and/or disapprove agreements for active displays (as defined in paragraph 6.8) of sponsors' products, or delegate approval authority to Installation Commanders.

2.5. Installation Commanders.

2.5.1. Control the commercial sponsorship program at base-level and approve/disapprove sponsorships worth \$5,000 or less (or other values as delegated by the MAJCOM). Installation Commanders may delegate authority for approval/disapproval and acceptance of sponsorships worth up to \$5,000 to the Support Group Commander or Services Commander or Division Chief.

2.6. The Services Commander/Division Chief.

- 2.6.1. Appoints a single point-of-contact within the Services Squadron/Division for the base-level sponsorship program.
- 2.6.2. Administers sponsorships in a cost-effective and beneficial manner.
- 2.6.3. Assures that Services MWR programs and facility managers use sponsorships properly.
- 2.6.4. Reviews all sponsorship proposals and agreements.

2.7. The Installation or MAJCOM Commercial Sponsorship Manager.

- 2.7.1. Creates and manages commercial sponsorship agreements.
- 2.7.2. Encourages a supportive awareness of sponsorship opportunities in base personnel and in the appropriate civilian sector.
- 2.7.3. Administers unsolicited and solicited sponsorships per paragraphs 3. and 4., and reports results in accordance with paragraph 5.

2.8. Legal officers. Review all sponsorship agreements at their respective levels.

2.9. Public Affairs (PA) officers. Facilitate recognition of sponsors in military media and commercial enterprise publications. Publications may present the facts of the event and mention the sponsor's by name in the story. PA officers ensure sponsorship agreements do not conflict with PA activities including base newspapers, etc.

2.10. Supporting Contracting Officers.

- 2.10.1. NAF and Appropriated Funds (APF) contracting officers both review agreements to ensure that solicited or unsolicited offers are not accepted from barred contractors and that solicited and unsolicited offers are not in conflict with existing contracts, memos of agreement or understanding, or other business agreements that would be in conflict with, or detrimental, to business relationships between the military and existing civilian contractors. Phone coordination and memos for the record are sufficient documentation.
- 2.10.2. NAF contracting officer reviews and coordinates on sponsorship agreements for technical sufficiency, completeness and content. NAF contracting officer ensures each solicitation for sponsorship is properly filed in accordance with (IAW) NAF solicitation announcements procedures in AFMAN 34-416 and applicable procurement instructions.

2.11. NAF Accounting Officers. Record sponsorship transactions in accordance with AFI 34-209, *Nonappropriated Fund Financial Management and Accounting*.

2.12. Army and Air Force Exchange Service (AAFES) managers. Ensure that sponsorship agreements do not violate existing AAFES business agreements or other arrangements.

3. Unsolicited Commercial Sponsorships.

3.1. Initiating Unsolicited Sponsorships. Unsolicited commercial sponsorship must be entirely initiated by the prospective sponsors or their representatives. Air Force personnel will not provide information about specific needs of the Services MWR program to "encourage" offers of unsolicited sponsorship.

3.1.1. Services activities may generate sponsor awareness and interest by publishing brochures and leaflets, placing ads in newspapers and magazines, or issuing public affairs-like news releases about the existence and availability of the program. They may also send letters of a strictly non-specific nature as follow-ups to general advertisements.

3.1.1.1. These materials may highlight the overall MWR program or identify general activities such as basketball, bowling, golf, youth programs, and carnivals.

3.1.1.2. Materials may not refer to specific shows, events, or dates.

3.1.1.3. Materials may not solicit sponsors, identify needs, or mention desired dollar amounts.

3.1.2. General information on programs may be provided in base overview briefings and reports to noncommercial elements of the civilian community (e.g., Chambers of Commerce, civic and similar private organizations) covering a general range of base functions, programs, accomplishments, etc.

3.1.2.1. The base commercial sponsorship manager may supply potential sponsors with information on the specific needs for an event in response to appropriate inquiries.

3.1.2.2. Any other base-initiated contacts with potential sponsors to elicit offers are prohibited.

3.1.3. MAJCOM and base sponsorship representatives attending trade shows may use general displays and distribute nonspecific guides and fact sheets to participants and potential sponsors. When a representative of a potential sponsor asks for specific event information, it may then be provided and sponsorship discussions may commence (no commitments may be made without appropriate approvals).

3.2. Unsolicited Sponsorship Agreements. Initial proposals are submitted by potential sponsors.

3.2.1. Commercial sponsorship manager:

3.2.1.1. Prepares agreements per AFMAN 34-416.

3.2.1.2. Contacts applicable AAFES manager and the contracting offices to ensure that the proposed agreement does not conflict with any existing or pending contracts or other working agreements.

3.2.1.3. Submits agreements to the Services Squadron Commander or Division Chief and the servicing Judge Advocate (JA) for review.

3.3. Agreements are per event or for 1 year or less. The period covered by the original agreement and any renewals cannot exceed 5 years. Sponsors may be granted rights of first refusal for a subsequent year as an option for renewal. Rights are for 1 year periods. Renewals may or may not be exercised, and are subject to better offers.

3.4. The sponsor, commercial sponsorship manager, and the appropriate Air Force approval authority sign the final agreement.

3.5. Sponsorship is accepted on behalf of the NAFI to which it is offered, not by the installation for any other entity.

4. Solicited Commercial Sponsorship . The Solicited Commercial Sponsorship Program is the only authorized process for soliciting commercial sponsors for MWR elements of Services programs.

4.1. MWR elements of Services programs may not solicit sponsorship from alcohol or tobacco companies under any circumstances. Military systems divisions of defense contractors will not be solicited. Solicitations may be sent to any domestic consumer products divisions of defense contractors. Unsolicited offers may be accepted from any segment of a defense contractor. Care and judgment should be used in using sponsorship from defense (military systems) contractors. Appropriate events would be displays at open houses or holiday events, i.e., July 4th, etc. Inappropriate events would be athletic events or club promotions where there is no connection between sponsor product and event.

4.2. Solicitation Announcements. Commercial sponsorship managers:

4.2.1. Announce all sponsorship solicitations to the maximum number of potential sponsors feasible in one or more of the following: *The Commerce Business Daily* (CBD) per AFMAN 34-416, local newspapers, Chamber of Commerce newsletters or other appropriate business community publications.

4.2.2. Evaluate prospective sponsors' proposals on a best-offer basis.

4.2.3. Negotiate for additional support or other sponsorship enhancements if the evaluation criteria set forth for sponsorship solicitation so allows. Specifying of actual dollar amounts, or levels, or specific categories in the solicitation is optional.

4.2.4. May send follow-up letters to potential sponsors (except alcohol or tobacco concerns) that might have an interest after an initial solicitation announcement and/or solicitations are mailed.

4.2.5. Take reasonable steps to inform all potential sponsors of the opportunity.

4.2.6. Process responses from alcohol or tobacco concerns as unsolicited offers and evaluate them along with responses to the solicitation.

4.3. Procedures.

4.3.1. Commercial Sponsorship managers prepare solicitations in accordance with AFMAN 34-416.

4.3.2. Commercial sponsorship managers may then negotiate with potential sponsors.

4.3.3. Once the commercial sponsorship manager selects a sponsor and prepares the agreement per AFMAN 34-416, the agreement is reviewed by the Services Squadron Commander or Division Chief, the JA, and the NAF contracting office. It is then signed by the sponsor, the commercial sponsorship manager, and the approval authority specified in paragraph 8.

4.3.4. Agreements are per event or for a period of 1 year or less.

4.3.5. The original agreement and any renewals may not exceed 5 years.

5. Record Keeping.

5.1. Sponsorship managers provide quarterly Commercial Sponsorship Reports via Windows format program specified by Headquarters Air Force Services Agency, Marketing and Public Affairs Branch to MAJCOM/SVs for review and forwarding to HQ AFSVA/SVPCM, 10100 Reunion Place, Suite 402, San Antonio TX 78216-4138. This report is designated code C-3. Continue reporting during emergency conditions, delayed precedence. Submit data requirements as prescribed, but they may be delayed to allow the submission of higher precedence reports. Submit by nonelectronic means if possible. Discontinue reporting during MINIMIZE.

5.2. AFMAN 34-416 provides information on reporting format and accounting procedures for sponsorship resources. An audit trail for all MAJCOM and base-level activities accepting sponsorship must be maintained.

5.3. Monetary sponsorship is by check. Acceptance of currency is prohibited.

6. Sponsorship Privileges. The following forms of recognition, exposure, publicity, and displays are permitted for commercial sponsors.

6.1. Sponsor Credit. Event publicity, programs, and promotional materials may credit sponsors in accordance with the following guidelines:

6.1.1. Neither the sponsor's name nor its products or services may appear in the event title along with the name of the Services activity, base, command, Air Force, or any other part of the Federal Government.

6.1.2. If the title refers to Air Force TOPS IN BLUE, do not use the sponsor's name or logo or identify its products or services in the title.

6.1.3. The line above or below the title may identify the sponsor, e.g., "Air Force Services and ABC Corp., present, (next line) "Air Force TOPS IN BLUE" when support is substantial, or "Air Force TOPS IN BLUE", next line "sponsored in part by (name of sponsor)" when sponsors provide lesser support.

6.1.4. All NAFI media containing a commercial sponsor credit must include the official disclaimer: "No Federal Endorsement of Sponsor(s) Intended". As a limited exception, a single banner bearing the disclaimer may be used in lieu of disclaimers on each individual banner bearing sponsor recognition where all such banners are displayed in a cluster (all together in a single display).

6.2. Individual Acts. Titles of individual acts in an entertainment program may name a sponsor (e.g., you may list "ABC Music Presents Dancing with Rhythm" as a segment of the "Randolph AFB Open Air Concert").

6.3. Public Address Recognition of Sponsors. If verbal public address sponsor identifications are provided at an event, there must be at least one prominent verbal disclaimer, or there must be prominently displayed disclaimers or printed event hand-outs with disclaimers.

6.4. Sponsorship Recognition in Promotional Materials .

6.4.1. Sponsors may provide printed event programs for distribution at performances and events. Such programs may include limited advertising (no more than one ad per sponsor and no more than 25 percent of total program) describing the sponsor's goods or services, and prices, but no comparative pricing information. Pricing information is limited to programs, or small pamphlets, handouts, or inserts that are distributed at the event. Prices on banners, posters, or table tents are prohibited.

6.4.2. Sponsors may provide event posters and banners identifying the sponsor or its products or services. While all commercial sponsorship signs, banners, etc., must contain disclaimers, normal concession type stands and distribution equipment used by the commercial sponsor do not need disclaimers when they identify the sponsor or its products, e.g., "Brand X Cola" on the dispenser for cola products.

6.4.3. Materials prepared and printed with Air Force (NAFI) funds may include only the sponsor's name, logo, or a brief slogan. If sponsor requests advertising (as distinguished from sponsor recognition) in NAFI-produced media, a separate advertising agreement must be negotiated.

6.4.4. Except as specifically stated elsewhere in this AFI, all media and/or event promotional materials mentioning the event and the sponsor together must include the official disclaimer, "No Federal endorsement of sponsor intended".

6.5. Giveaway Samples.

6.5.1. Event participants or spectators may receive samples of a sponsor's products (except alcoholic beverages and tobacco products) if the retail value of the samples totals less than \$20 per recipient. The sponsor must officially transfer samples worth \$20 or more to a NAFI, which can distribute them.

6.5.2. Samples do not require disclaimers.

6.5.3. Samples may not contain references to any part or activity of the Federal Government. Other promotional items such as T-shirts, hats, key-chains, gym bags, etc., with a value of \$20 per item or less may be provided by the sponsors to enhance the event and provide additional exposure. Regular sponsor promotional items do not require a disclaimer. Items with a sponsor name or logo that are "personalized" with an event title, military logo, or reference to any DoD element or activity along with the sponsor's name or logo do not require a disclaimer if they are prepared so that it is clear from the wording that the sponsor has provided the items for congratulatory purposes. Hence, "ABC salutes TIB", or "ABC salutes Air Force Sports" on a T-shirt does not require a disclaimer. Conversely wording such as "ABC Base Triathlon sponsored by XYZ", "ABC Base Triathlon thanks XYZ", or references to both the MWR event and the sponsor with nothing more does.

6.6. Scoreboards, Tee Markers, Benches, or Signs.

6.6.1. The sponsor may provide scoreboards, tee markers, benches, and similar items for a specific MWR show or event that identify the sponsor's name or products or services.

6.6.2. The sponsor identification must be of a size that is readable only in the immediate area and be removable without defacing the item.

6.6.3. The sponsor, or Services representative, must include or provide the official disclaimer on or next to each item displaying the sponsor's name, logo, or products or services. The disclaimer must be large enough to be readable in the immediate area.

6.6.4. A sponsor may put up temporary event signs or banners on ball field fences, indoor or outdoor scoreboards, tee markers, benches, and so on. These items require disclaimers.

6.6.5. Advertising space on installation scoreboards, tee markers, benches, or signs, etc., may also be sold in accordance with Air Force Instruction 34-104, *Services Marketing and Publicity Program*, and the Advertising Policy Handbook.

6.7. Sports Uniforms. When official sports team uniforms are provided through official commercial sponsorship agreements and identify the Air Force or installation, they may also identify the sponsor or its products with the following provision: An announcer must read the official disclaimer to the

audience at least once during any sporting event where the players wear such uniforms, or the facility must prominently post the disclaimer on conspicuous signs or include it on printed handouts.

6.8. Product Displays and Booths. The Air Force permits sponsor advertising information and product displays and booths, such as passive displays of advertising brochures, automobiles, golf carts, computers or office equipment, and so on, at a sponsored event. This is the only authorization for providing more than sponsor recognition under the Commercial Sponsorship Program. No other distribution of advertising information or product or service displays is authorized except for the sale of advertising as authorized in AFI 34-104 and the Advertising Policy Handbook. Commercial advertising brochures may be made available by commercial vendors for casual pick-up at certain on-installation locations designated by the installation commander; however, Services is not involved in and will not assist in facilitating such arrangements in any way.

6.8.1. MAJCOM/SVs may authorize, or delegate to installation commanders the authority for approving active displays of sponsors' products, such as test drives of cars or demonstrations of exercise equipment. Send copies of agreements to HQ AFSVA/SVPCM.

6.8.2. All Air Force personnel must refrain from actions or statements appearing to endorse the sponsor or the product demonstrated or displayed. Limited ceremonial sponsor recognition by commanders and their representatives is permitted. Ceremonial recognition is verbal acknowledgment of sponsor support at the event involved. Sponsors may participate in ribbon cutting or prize awarding activities and pictures.

6.8.3. The sponsor bears the cost of displays or booths.

6.8.4. Sponsors may display, demonstrate, and explain their products, but they must not sell at their displays or booths. Services staffs may sell sponsor products if they are provided as part of a sponsorship agreement connected with the event, and the products involved are those which MWR elements of services programs normally sell, e.g., cola products, snacks, etc. Signing up for additional information on a product for purchase consideration is permitted.

6.8.5. Sponsors may display information pamphlets or brochures concerning their products and services, and provide promotional giveaways valued at less than \$20 each for visitors to pick up. Disclaimers are not required on materials at such displays that do not reference the event or DoD elements; however, a prominently displayed disclaimer is required on any sponsor booth displaying materials or otherwise providing information. If materials are distributed at a booth the same sponsor has under a vending arrangement, a disclaimer is required. Displays and distribution of the sponsor's information pamphlets or brochures is limited to the specific event. No other means of distribution of sponsor's information pamphlets or brochures are authorized under the Commercial Sponsorship Program (see paragraph 6.8).

6.8.6. Any promotional giveaway items that refer to any part of the Federal Government and the sponsor or its products or services must contain the disclaimer (see paragraph 6.5.3 for exceptions).

6.8.7. Sponsor provided information pamphlets or brochures as referred to throughout this AFI may include price of product or service, but no comparative pricing.

6.9. Base Exchange and Commissary Promotions.

6.9.1. Sponsors may conduct promotions (such as sales or distribution of coupons) under the Commercial Sponsorship Program in base exchanges and commissaries (subject to their agree-

ment) if the sponsors provide benefits from the promotion or additional financial or in-kind support, to the MWR program as part of the sponsorship.

6.9.2. Materials used in such promotions may name the sponsor in accordance with normal procedures and must include the disclaimer.

6.9.3. Sponsors may sell their products or services only in actual commissary, exchange, or other established resale facilities where such sales would normally take place.

6.10. Sponsor Merchandising.

6.10.1. With the advance written approval of the installation commander, sponsors providing substantial support for an MWR event open to the general public IAW AFI 34-101 may place materials promoting the event and recognizing their sponsorship in local civilian retail outlets or in the local media. The written approval must specify:

6.10.1.1. A specific time period during which this can be done.

6.10.1.2. The installation commander or designee must approve all such materials.

6.10.1.3. The promotion materials must include prominent disclaimers.

6.10.2. A sponsor offering substantial support may negotiate for the right to mention its support in its internal advertising or ads appearing in media aimed specifically at the military market. HQ USAF/ILV approves such publicity and provides appropriate restrictions and time limits.

6.11. Sponsor Exclusivity. A sponsor may be granted exclusive commercial sponsorship rights for a particular event or for a sponsor category supporting an event when such exclusivity:

6.11.1. Is consistent with the solicitation issued.

6.11.2. Is beneficial to both parties in an unsolicited sponsorship. Sponsor exclusivity in unsolicited sponsorships should be provided only when sponsor support is so substantial, that it warrants this extraordinary benefit.

6.11.3. The concept of exclusivity also applies to certain commercial concerns which have business arrangements with AAFES and/or Services. Commercial concerns in this category include, but are not limited to, telecommunications companies, leisure travel companies, on-installation or contracted banks and credit unions, and companies whose products compete with those in the AFSVA Essential Products Program, e.g., coffee, various paper products, etc. Sponsorship proposals from these categories of companies, and in any case where doubts exist, must be forwarded through MAJCOMs to HQ AFSVA/SVPCM for review and coordination. This avoids violation of existing agreements, minimizes the erosion of corporate dividends, and prevents unsuccessful bidders for Air Force contracts from using sponsorship to unfairly compete with successful bidders for potential customers.

7. General Sponsorship Limitations. These limitations apply to all commercial sponsorship agreements.

7.1. Media Agreements.

7.1.1. Agreements concerning television and radio broadcast rights to MWR events, and pre-event publicity related thereto, are entered into only after coordination with HQ AFSVA/PA and SAF/PA through appropriate base/command channels.

7.1.2. MWR programs must coordinate the assignment or sale of television, movie, video, or radio rights with OASD(PA) for interservice events and SAF/PA for Air Force events. Submit requests through HQ AFSVA/CC.

7.2. AAFES Coordination.

7.2.1. Proposed sponsorship agreements involving companies, products, or services competing with or covered by AAFES contracts or other formalized (written) agreements in existence or being processed require formal (written) coordination with AAFES.

7.2.2. Telephone AAFES during the initial review of a sponsorship opportunity to determine the need for such coordination. Keep a record of the AAFES response for your files.

7.2.3. Keep AAFES aware of ongoing sponsorship solicitation efforts with informal and timely coordination. AAFES can be helpful with merchandising and sales benefits.

7.2.4. Proposed sponsorship agreements that do not directly involve AAFES support for sponsor product displays or sales or that clearly do not involve existing companies, products, or services competing with or covered by AAFES contracts or other formalized (written) agreements in existence or being processed do not require formal coordination.

7.2.5. Coordinate base-level sponsorships with base AAFES managers, MAJCOM-level sponsorships with HQ AAFES/SD-A/S, and USAFE-level and PACAF-level sponsorships with regional AAFES offices.

7.3. Concessions. Limit special concessions or other favored treatment to those authorized in paragraph 6. Make sure the sponsorship agreement includes such concessions or favored treatment.

7.4. Advertisements.

7.4.1. All advertisements, credits, and publicity must be in good taste.

7.4.2. The installation commander or a designee must approve advertisements, credits, and publicity in advance.

7.5. Reprisal. Installation commanders ensure that commercial concerns that do not sponsor are not treated with disfavor and that they suffer no form of reprisal.

7.6. Alcohol and Tobacco Policies.

7.6.1. Companies that manufacture or distribute alcoholic beverages or tobacco products may be allowed to provide unsolicited sponsorship provided the events are open to the public or the companies have sponsored similar events in a civilian community.

7.6.2. MWR events are open to the public only when they are integral parts of public affairs events or when HQ USAF/ILV has granted a waiver of the normal MWR program eligibility limitations.

7.6.3. Such companies must include a responsible use campaign or the Surgeon General's warning in all promotional materials.

7.7. Sponsorship Acknowledgment. Sponsors must adhere to the instructions in paragraphs 6. and 7. Sponsors must provide advance written certification that they will not use their sponsorship in any of their other advertising. Exception: A sponsor may obtain permission per paragraph 6.10.2.

7.8. Endorsement Restrictions.

7.8.1. Sponsors may not be provided "official" product or service status (e.g., the "official soft drink" of an event).

7.8.2. Any reference implying endorsement is prohibited.

7.8.3. Do not allow the use of the Air Force insignia, the initials "USAF," the Air Force seal, the Air Force emblem, the Air Force Services logo, or any other reference to any part of the Federal Government as an incidental benefit to commercial sponsorship of an event.

7.9. Certification. The sponsor must certify in writing that it will not charge any part of the Federal Government for its costs of providing sponsorship.

7.10. Ownership.

7.10.1. MWR programs may not accept property for other than specific periods of temporary use unless the commercial donor relinquishes all ownership rights in writing.

7.10.2. If a sponsor offers property as a prize, the sponsor or other owner may maintain possession and ownership of the property pending an actual win or other qualifying action (such as a hole-in-one or similar event).

7.10.2.1. In any such case, the NAFI must have the sponsor's or owner's written agreement to relinquish ownership rights to the property in the event of a win or qualifying action.

8. Dollar Thresholds for Sponsorship Approval. These thresholds apply to both unsolicited and solicited sponsorships:

8.1. The Installation Commander approves sponsorships worth up to and including \$5,000. The commander may delegate all or part of this approval authority to the Support Group Commander and/or the Services Squadron Commander or Division Chief. Additionally, the Installation Commander may approve up to the dollar amount approval level delegated by the MAJCOM Commander, not to exceed \$25,000.

8.2. MAJCOM Commander approves sponsorships worth over \$5,000 and up to and including \$100,000. The MAJCOM commander may delegate approval authority for up to \$50,000 in writing to the CV, Chief of Staff, or SV, and up to and including \$25,000 to the Installation Commander.

8.3. AFSVA Commander. Approves sponsorships worth up to and including \$100,000 provided to the Air Force Central NAFIs for all Air Force-wide programs, and for those involving multiple MAJCOMs.

8.4. The Chairman, AF MWR Advisory Board. Approves sponsorship worth over \$100,000.

9. Commercial Sponsorship of Open Houses, Air Shows, and events open to the public. The Air Force permits commercial sponsorship under the auspices of the DoD MWR Commercial Sponsorship Program only for the Services MWR program elements of open houses and air shows.

9.1. Use of NAFs. See AFI 34-201 for use of NAFs for Services MWR elements of open houses and air shows.

9.2. Alcohol and Tobacco Sponsorships. See paragraph [7.6.1](#).

9.3. NAFs and commercial sponsorship may not be used to support static display aircraft, flying demonstration aircraft or teams, or any other aerial entertainment, displays, or demonstrations. See AFI

34-262, *Services Programs and Use Eligibility*, for additional guidance on the use of NAFs and commercial sponsorship for airshows and open houses.

9.4. Sponsor Booths.

9.4.1. Businesses, groups, or individuals involved in open houses and air shows in connection with commercial sponsorship may use booths or cabanas for passive displays of their products or services at no cost.

9.4.2. If the booths or cabanas provide refreshments, they must be available to all event participants.

9.5. Services MWR events are open to the public only when they are integral parts of public affairs events; they are approved in accordance with AFI 34-101, Atch 1: or HQ USAF/ILV has granted a waiver of the normal MWR program eligibility limitations.

10. Commercial Sponsorship Marketing Materials.

10.1. MWR programs may prepare informational materials, such as printed event guides, fact sheets, or multimedia presentations, for prospective sponsors at the Air Force, MAJCOM, and base levels.

10.2. Information materials may include:

10.2.1. Pictures and narrative descriptions of previously sponsored events with the sponsors identified,

provided those sponsors give their written permission and disclaimers are included.

10.2.2. Descriptions of commercial sponsorship programs.

10.2.3. Generic examples of the kinds of events available for sponsorship.

10.2.4. Population demographics.

10.2.5. General information on the base or organization.

10.2.6. Information on potential sponsor benefits.

10.3. MWR programs may distribute such informational materials to anyone at any time, including mailings to prospective sponsors after a general advertisement has run.

10.4. Specific Examples. MWR programs may distribute materials containing event-specific information (i.e., actual event dates, places, production and sponsorship budgets) with formal solicitations and to anyone who indicates a desire to know about opportunities for sponsorship by:

10.4.1. Verbal request.

10.4.2. Written request.

10.4.3. Signing a sign-up list indicating a desire for such information at a trade show or other appropriate occasion.

10.5. Limit the response to a request for information about a specific event to information about that event.

10.6. Provide information on all reasonably available opportunities in response to a general request for information on sponsorship opportunities.

10.7. If a potential sponsor requests information on sponsorship opportunities of a certain type, provide information on all reasonably available opportunities that are applicable to that request.

10.8. Event-specific information may be provided at any time to potential sponsors who make open-ended requests for information.

JOHN W. HANDY, Lt General, USAF
DCS/Installations and Logistics

Attachment 1**GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

AFPD 34-4, *Managing Nonappropriated Funds*

AFI 34-101, *Services Programs and Use Eligibility*

AFI 34-104, *Services Marketing and Publicity Program*

AFI 34-201, *Use of Nonappropriated Funds (NAFs)*

AFI 34-209, *Nonappropriated Fund Financial Management and Accounting*

AFMAN 34-223, *Private Organization (PO) Program*

AFMAN 34-416, *Commercial Sponsorship Procedures*

Abbreviations and Acronyms

AAFES—Army and Air Force Exchange Service

AFSVA—Air Force Services Agency

APF—appropriated funds

CBD—Commerce Business Daily

DoD—Department of Defense

HQ USAF/ILV—Headquarters Air Force Director of Services

JA—Judge Advocate

MAJCOM—major command

MWR—Morale, Welfare, and Recreation

NAFI—Nonappropriated Fund Instrumentality

PA—Public Affairs (Air Force)

SVPCM—Marketing and Public Affairs Branch, Central Programs Division, Directorate of Programs, Air Force Services Agency

Terms

Commercial Sponsorship—The outside partial underwriting of an MWR event (as an element of Air Force Services) by a consumer product/service company using money, goods and/or services to obtain limited recognition and advertising benefits.

Cross-marketing—Providing a location in addition to those at an event for sponsor product display and/or marketing. In the Air Force, potential locations are the AAFES and Defense Commissary Agency.

Product category exclusivity: Limiting sponsors in various product categories, e.g., one soft drink, one airline, etc.

Sponsor recognition—The reproducing of the sponsor(s) name or logos and themes on MWR event promotional materials. No advertising is permitted on APF or NAF funded materials. Disclaimers are required.

Unsolicited sponsorship: Where the sponsor makes the first contact and offers sponsorship based on general knowledge, hearsay, or third-party reference as to the availability of an MWR event and the opportunity to sponsor same.

Solicited sponsorship—Where the Air Force submits notice of sponsorship availability for a specific event to the Commerce Business Daily (CBD) or other published means, prepares and disseminates a formal solicitation and then negotiates with responding potential sponsors. Example: AFSVA solicited sponsorship for TOPS IN BLUE.

Solicitation: The formal request for offers of sponsorship which is mailed to potential sponsors. It eventually becomes the basis for the agreement between the sponsor and the applicable Air Force NAFI. The solicitation and resulting agreement have mandatory clauses and must be reviewed by legal and procurement personnel prior to final acceptance.

Disclaimer—The following statement - "No Federal endorsement of sponsor(s) intended".

Gifts and Donations: Gifts and donations, governed by AFI 34-201, *Use of Nonappropriated Funds (NAFs)*, are different from commercial sponsorship. Gifts and donations can be made by any individual or entity to any Air Force NAFI. Donors do not receive public recognition or favored treatment from any part of the DoD except as authorized in AFI 34-201.

Cash or in-kind support—Cash or products or services, sometimes called soft-dollars, which directly save or offset the original planned and budgeted expenses for an event. The Commercial Sponsorship Program permits recognition of sponsor cash or in-kind support.

Private Organizations—Wives' clubs, aquatic clubs, and other chartered special interest groups. These are not eligible for the Commercial Sponsorship Program. Joint management/sponsorship of private organizations' activities in order to extend the sponsorship benefits to them is not permitted. They can be beneficiaries of gifts and donations.

Passive Displays—Sponsor product displays at an event or other location in conjunction with a sponsored event during the event. These displays may include product demonstrations and informational brochures for participant examination and pick-up. Sponsor representatives may be present at displays, hand out materials, and sign up participants for additional information or free services, provided there is no active selling, discriminatory registering and/or awarding of free prizes, or any other financial transactions.

Attachment 2

IC 99-1 TO AFI 34-407, AIR FORCE COMMERCIAL SPONSORSHIP PROGRAM

17 FEBRUARY 1999

SUMMARY OF REVISIONS

This change incorporates interim change (IC) 99-1 provides guidance for the Air Force Commercial Sponsorship Program. Paragraph 1.2. is changed to reference AFI 34-223, *Private Organizations (PO) Program*, for guidance on the acceptance of gifts, contributions, and donations by private organizations. Paragraph 9.3. is changed to delete authorization for use of NAFs for static displays to conform with AF/CV guidance.

1.2. Only Services MWR programs may use the commercial sponsorship program. Other Air Force organization, units, private organizations, or unofficial activities or organizations are not authorized to use commercial sponsorship to offset program or activity expenses. See AFI 34-223, *Private Organizations (PO) Program*, for additional guidance.

9.3. NAFs and commercial sponsorship may not be used to support static display aircraft, flying demonstration aircraft or teams, or any other aerial entertainment, displays, or demonstrations. See AFI 34-262, *Services Programs and Use Eligibility*, for additional guidance on the use of NAFs and commercial sponsorship for airshows and open houses.